

Remedies

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The

Concentration of Wealth

BY EDWARD IRVING

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READ
NOT
TO
CONTRA-
DICT
NOR
BELIEVE
BUT
TO
WEIGH
AND
CONSIDER

THE
CONCENTRATION
OF
WEALTH
—
ITS CAUSE AND CURE
—

PLEA FOR THE
LABOR EXCHANGE
—

[NEW AND REVISED EDITION]

—
BY EDWARD IRVING

AUTHOR OF "BREAKERS AHEAD"

—
1896
COMING NATION PRESS



INTRODUCTORY.

We have perused Edward Irving's revised edition of his valuable pamphlet with much pleasure. Mr., or I should say "Brother" Irving is a thinker, a student of the industrial problem, and a clear, forcible writer. He is the author of "Breakers Ahead" and other works, published and unpublished. As the originator and planner of the Labor Exchange movement, we feel especially gratified that the views of such a mind as Mr. Irving's coincide with ours, both in regard to the end to be attained and to the means best adapted to that end. Harmony being as essential among reformers as among soldiers in the battle field, our hopes for success expand when we meet with harmony anywhere; but, in such case as this, when we know that harmony is due entirely to the soundness of the principles involved, it also confirms us in our faith.

Mr. Irving, in his researches for A WAY OUT from our deplorable industrial condition and lugubrious prospects, became convinced that through the Labor Exchange, he could see the light of a-better day, and forthwith he entered the propaganda work in earnest. His circulars on the Labor Exchange have flooded California

and have been read in many other states. He is one of that galaxy of eminent writers who have placed California in the lead of the movement in America. Now in this revised edition of his *Plea for the Labor Exchange*, he gives a vivid outline of industrial conditions and the drift of wealth towards concentration; reviews briefly the most prominent projects for reform and brings his reader aboard the Labor Exchange ship as, in his opinion, the soundest in principle, the most rational in method, the swiftest in execution and the best for all classes to pass safely through the coming storm.

Brother Irving has thus traced the chart, and that reform thunderer, *THE COMING NATION*, from the hills of Tennessee, is unfolding it before America. With such powers at work, financial darkness will wain away and a brighter era dawn upon the human race. G. B. DEBERNARDI,
Independence, Mo.

CHAPTER I.

THE EXPLOITATION OF LABOR.

"No country can long remain free when the tendency of the law is to concentrate the wealth of the country into a few hands."—DANIEL WEBSTER.

NO honest, well informed man will dispute the fact that the present condition of the great mass of the toilers of the world is not merely unsatisfactory, but altogether deplorable. Nor will any thinking man deny that its growing unrest is liable to lead to grave perils, even endangering the stability of society.

The trouble has come down to us from very ancient times, but it has been constantly on the increase since the introduction of machinery into manufacturing processes.

The situation is now becoming more critical and threatening with every day that passes. In a hundred different ways the producers of the world are being robbed of nearly all the wealth they create.

DESPOTISM AND SUPERSTITION.

In past times this robbery was carried on by brute force, under the form of despotism and chattel slavery.

This brute force was often assisted in its villainous work by superstition, in the garb of religion.

CAPITALISM.

These two forms of oppression have now to some extent lost their power to enslave mankind. But at the same time a more formidable enemy to the human race has grown into power. It is commonly known as capitalism, and may be said to be the overgrown child of competition and money worship.

COMPETITION.

Of these two, competition for the attainment of wealth is a survival from the time when man was a wild beast amongst wild beasts, and had either to kill and eat them or allow them to kill and eat him.

MONEY WORSHIP.

Money worship on the other hand, is the result of laws which practically enact that money shall have the exclusive privilege of paying taxes and all other forms of debt.

Under this system a man gets into debt in a thousand different ways, but only money can pay the debt, unless the creditor generously condescends (against his own apparent interest) to accept payment in actual wealth instead of in its legal representative.

When, from the stupidity or knavery of the rulers, the legal title to wealth is only allowed to

be printed on documents made of scarce metals (which cannot be obtained in sufficient quantity to enable business to be done on a cash basis) it has to be left undone or done on credit. People are compelled to either quit business or to go into debt. Once in debt, the interest soon transfers what little money there is into the hands of non-producers, and ninety-seven people out of every hundred lose the accumulations of a lifetime.

As people have not the money to buy what they need, and their own productions cannot be monetized for anything like what it costs to produce them, the result is a great "underconsumption." The wheels of commerce cease to turn, the production of wealth flags, and the insane cry of "overproduction" is raised. Nations then starve in sight of warehouses piled up with food and clothing.

The poor producers, disheartened at the loss of all their accumulations, cry out that the Lord has forsaken his people. The speculator, who has produced all this trouble for his own benefit, rakes in his blood-stained shekels and eats and drinks the best of everything. He wipes his mouth with a silken napkin and says, "I have done no evil. I am a good business man, a devout Christian and a useful member of society."

This exclusive debt-paying power of legal-tender money, together with its fictitious power of increase by usury, has led whole nations to look upon it as a powerful deity whose help must be obtained at any cost if success in life is desired or a good living insured. Hence the worship of money is more universal and sincere than any other superstition on the surface of the globe. The Mammon worshipper is ever striv-

ing for a more intimate fellowship with his God
He is always yearning for a more plentiful in-
gathering of the sacred shekels. He is in con-
stant fear lest the All-powerful One should hide
His blessed face and leave him in want. He
cries continually for the divine presence. He
prays without ceasing and his supplications run
something in this fashion:

O, THOU ALMIGHTY DOLLAR,

THOU ART

THE ONLY TRUE AND LIVING GOD.

THOU ART

THE CREATOR AND SUSTAINER OF ALL.

THOU ART

ABOVE ALL OTHER GODS,

FOR IN THE THINGS

WHEREIN THEY DEAL PROUDLY,

THOU ART

SUPREME OVER ALL.

LET THY PRESENCE

BE WITH US ALWAYS.

ABIDE WITH US

IN THE FULLNESS OF THY POWER,

AND TO THEE

SHALL BE ALL HONOR AND PRAISE,

BOTH NOW AND

FOR EVER MORE.

WORLD WITHOUT END,

AMEN.

THE WORLD OCTOPUS.

The capitalism that has sprung from these two relics of barbarism has grown enormously the last hundred years, and now overshadows the world. It has blown itself up like the envious frog in the fable. From its distended carcass has sprung a host of hungry and unscrupulous monopolies, which control the means of production and distribution, and use them for their own benefit and the people's damnation.

This huge octopus broods like an infernal nightmare over every so-called civilized country. It mesmerizes the people into believing that it is the creator, preserver and guardian angel of civilization. Not satisfied with bonding the "free and enlightened" people of the world, it reaches out its tentacles even to the isles of the sea and the waste places of the earth. They suck up the wealth produced by the barbarian and slave.

So great is the power of this world-octopus that it controls the nominal rulers of the world and forces them to hold its victims whilst it robs them of the fruit of their toil.

LEGAL ROBBERY.

The means employed by capitalism to-day are, as a rule, legal. The robbery is done either under cover of class-made laws devised and manipulated for the express purpose of legalizing the thieving, or by the bribed misinterpretation of good laws intended to protect the people.

A DEVILISH TRINITY.

These are not the words of a crank or anarchist. They are the expressed sentiments of some of the most honest, venerated and exalted judges in the land—of men whom nations delight

to honor for their incorruptible integrity and unswerving loyalty to the people.

There are three methods or instruments whereby this robbery of producers is usually carried on. They are known as rent, interest and profit.

The great wealth-absorbing power of these instruments depends almost entirely on

MONEY MONOPOLY.

By controlling the issue and volume of money used to carry on the business of the world, the non-producing classes have got possession of nearly all the means of production and distribution. They are thus enabled to levy tribute on all producers and rake in the bulk of the wealth produced by the toilers of the world.

THE FINANCIAL BELLOWS.

The process is a very simple one. It merely consists of an alternate inflation and contraction of the volume of circulating money by those who have the handles of the financial bellows in their grasp.

INFLATION VERSUS PROSPERITY.

Inflation, the first movement of our financial bellows, is only another name for comparative prosperity amongst producers. Its effect is to stimulate the creation of wealth.

Some eminent financiers tell us that prosperity is due to the absence of sun-spots. (!) But it is really the result of Giant Monopoly relaxing his grip on the money he controls, to induce the producers to bond themselves to him for the money, and with its help set to work creating more wealth for him to confiscate by usury.

CONTRACTION ALIAS DEPRESSION.

Contraction, the second movement of the finan-

cial bellows, is only another name for comparative business depression. Its effect is to empty the contents of the bellows into Giant Monopoly's mouth. An unusually vigorous contraction is known as a commercial panic.

The above mentioned eminent financiers tell us that business panics are caused by the sun getting pimples on his face (!) but they are really the result of Giant Monopoly closing in on the money he controls so as to gather in the wealth created by the bonded producers.

PROVIDENCE VERSUS DEVIL.

These two processes go on so regularly that they are looked upon as a matter of course. The first is attributed to Providence and the liberality of the bankers and capitalists. The second is attributed to the devil and the awful extravagance, laziness and stupidity of those who are pushed to the wall.

In every panic many of the small fry amongst the bankers share the ruin in which their victims are involved. This is one of the main reasons why the ruined producers generally remain in blissful ignorance as to the true cause of the panics. For they naturally reason that the bankers cannot be such fools as to bring on the storm in which they themselves are liable to be wrecked.

DESTRUCTION OF CAPITALISTIC COMPETITION.

The all-powerful monopolies into which capitalism has developed are now throttling competition among themselves, by means of trusts, combines and syndicates. But they are still keeping up, by every means in their power, the competi-

tion amongst producers, to which they owe their very existence and power.

A SQUEEZED LEMON.

The producers are already like a squeezed lemon. With a comparatively few exceptions they have now no power left to secure "a white man's living," or to provide for sickness or old age. But Giant Monopoly, in his greed for gain, is doing his utmost to get his industrial wage slaves "down to a bean diet." The store-keepers he is now preparing to overwhelm and destroy by means of department stores run on a 10 per cent. basis. And at the same time he is turning the once independent farmers and fruit-growers into mere serfs, unable, with all their toil and economy, to secure decent food, clothing and shelter for their families.

PESSIMISM.

Such is the present situation, at the close of this glorious nineteenth century, of Christian Civilization! And "the half has never yet been told" of the evils brought about by the concentration of wealth amongst a few. With such poverty and distress amongst those who deserve the very best that the earth can yield, and such flaunting wealth and luxury amongst those to whom the Saviour decreed the damnation of hell, it is not to be wondered at that even strong men frequently grow weary of the strife and "hand in their checks" voluntarily, before their time is out. The natural hopefulness that Nature implanted in every human mind is being turned into a gloomy hopelessness that declares life to be a fraud and delusion, and looks forward to the grave as the poor man's only refuge from

the oppressor. For as Job cried out in his satanic affliction:

“There the wicked cease from raging;
And the weary are at rest;
There the prisoners are at peace together;
They hear not the voice of the task-master.
The small and the great are there;
And the slave is free from his master.”

—JOB 3, 17-19.

CRIME.

For every one who gives up the unequal battle by taking his own life, there are a hundred who make up their minds that the world owes them a living anyhow, and they are going to get it even if they have to follow the example of Moses and break every commandment at once.

The result has been an enormous and unparalleled increase of crime, to say nothing of drunkenness, debauchery and insanity. Those who are charged with the repression of crime in this country tell us that the danger point has long been passed, and that drastic measures must be used to prevent criminals from getting the upper hand.

The situation is well described by an alarmed onlooker in the Middle States. He says: “One has to turn away from the pages of a great Daily sick at heart at the awful daily recital of crime. Crime, crime, crime. In every column. On every page. Mothers killing their children and themselves to escape lingering starvation. Suicides, murders, holdups, burglaries, perjury, forgery, embezzlement, violation of trusts, public and private. And in the midst of it another class giving great balls, banquets and extravagances, decked in silks, satins, diamonds, totally unmindful of the terrible anarchy their avarice

is creating all about them! Such contrasts only appeared near the end of the nation that produced them. But this time it is world-wide, in every nation, and the cataclysm will be correspondingly great."

EVOLUTION OR REVOLUTION?

Fortunately there are still vast numbers of people who are struggling to make an honest living in spite of the adverse conditions that confront them. The majority of producers are not yet prepared to give up the struggle without a desperate attempt to throw off the "old man of the woods," who, according to Count Tolstoi, is willing to do anything and everything for the producer except to get off his back. The sound of the oncoming battle is already in the air. Conditions are irresistibly changing, and the fate of civilization is now hanging in the balance as it never hung before. Within the next quarter of a century our so-called civilization will crush Giant Monopoly and make a vast stride in the direction of a true, prosperous and happy co-operative commonwealth. Or it will be swamped by a mad and surging sea of blood compared with which the first French Revolution will seem but a local freshet.

This being the case, it behooves every intelligent person to seek for a peaceable outlet from the present dangerous situation of society. Let us examine some of the remedies that have been proposed, and ascertain which are the most likely to be successful and prompt in securing relief.

CHAPTER II.

SOME PROPOSED REMEDIES.

"If it were done when 'tis done, then 'twere well
It were done quickly." -- MACBETH.

"Any relief, to be effectual, must be on this side of the grave. Only visionaries are satisfied with post-mortem happiness in the land beyond the moon.— A. ZAZEL.

There are several methods by which the workers are now trying to get the power out of the hands of the monied classes.

THE POLITICAL REMEDY.

One of these may be called the Political Remedy. The idea is to change the laws so as to make them favor the wealth-producers instead of the idle classes. Most of these desired changes are in the direction of State Socialism, the tendency being towards the public ownership of all monopolies.

In one way or another many of us have long been trying to obtain justice by political means. This is right, and must be continued. But unfortunately these methods cannot help us till we get a majority of the people to join us. The fight has been going on for ages, all over the world, and as a result Giant Monopoly is more strongly entrenched today than ever before. In this country there is no likelihood of immediate relief to be obtained through Congress. And even if we could get a majority there, we must remember that behind Congress stands an irre-

sponsible Supreme court, ready whenever Giant Monopoly requires it to declare the people's demands unconstitutional.

Meanwhile, every week that passes, thousands of producers are being driven to the wall by this one cause. Every day that goes brings millions of industrious workers a day's march nearer to the Hell of industrial slavery, with its demons of want, crime, starvation and suicide.

Something has got to be done at once, for we are all the time getting perceptibly nearer to the breakers of revolution and anarchy.

Let us then see what other plans are being tried to avert the danger. Perhaps we may find some way whereby relief can be obtained more quickly than by political methods alone.

THE STRIKE REMEDY.

It has been said that the century that is now drawing to a close will be known to history as the century of Great Labor Organizations. The wage-earners long since found it necessary to combine for mutual protection against the exactions of capitalists.

So far, their main aim has not been to make themselves independent of capitalism, but merely to prevent their employers from reducing wages below a living limit. Their chief weapons are the Strike and the Boycott.

This method is not a cure for the evils of Money Monopoly, or for the resulting concentration of wealth. Many of the employers themselves are in the clutches of the octopus, and find it hard to keep from being dragged under water. Strikes and Boycotts sometimes help a single trade, but they generally do it at the expense of all other trades and professions. Com-

binations of labor lead to combinations of capital, and strikes and boycotts give rise to lockouts and blacklists. The capitalists can also take advantage of non-union "scabs." European and Asiatic "pauper-labor," labor-starving machinery, government mail contracts, interstate commerce laws, and many other devices. And as the great capitalists are few in number, and have been able to appropriate and store up for themselves the products of other people's former labor, they are not in any danger of starvation, whilst their "hands" can only fight at a terrible cost and disadvantage.

For these reasons, strikes are now generally recognized to be dangerous conflicts, necessary at times, but not to be rashly undertaken.

The attention of the great labor organizations is therefore being turned to other remedies, the main one being the political one already spoken of.

THE ROCHDALE REMEDY.

A third remedy is for labor to go to work producing and distributing on the Rochdale Plan of co-operation. This has been done on a large scale in England.

There are however, several disadvantages to the system. One of these is that the benefits are given, not to the producers, but to the consumers. As result of this, the monied classes and salaried officials get a great part of the benefit, whilst the producers, as such, receive no assistance whatever.

Another objection is that the societies all depend on money, and when that is manipulated by speculation and class legislation, they have either to take advantage of the conspiracy or to suffer like all other money making enterprises.

After fifty years of Rochdale Co-operation in England, the great mass of producers are still outside the organization, either unable or unwilling to become members and share its alleged benefits.

These benefits are said by its advocates to amount to the munificent sum of thirty-eight and a half cents per week (!) for each member to divide up with his family.

THE COLONY REMEDY.

A fourth method is that of the Co-operative Colonies like that of Ruskin, Tennessee.

This plan has many advantages if the members are well selected and the rules are carefully drawn up and enforced. Otherwise it is a complete failure.

But it needs a certain amount of money to become a member of such a colony, and the mass of the people cannot be expected to sacrifice what little property they have left in order to move off into the wilderness and begin life anew amongst strangers.

In spite of many failures I believe there is a great future for the colony plan, especially when it is so conducted as not to depend on the bankers' money. But the value of this method is chiefly educational, it does not profess to solve the unemployed problem for the millions, nor will it release the outside world from the grasp of Giant Monopoly.

CHAPTER III.

THE LABOR EXCHANGE REMEDY.

"The salvation of labor is not to be found in the organization of men who have work, but in the employment of the man who has no work."—ANON.

So far, we have not found any remedy that is capable of bringing relief to the masses, except in the dim and distant future.

But there is yet another plan by which producers are fighting the money power. This is known as the Labor Exchange Method.

Considering the short time it has been organized, and the small scale of its present operations, it is the most successful of all the methods yet tried. In no single instance has it ever been fairly and energetically applied without bringing immediate and lasting relief.

The principles upon which the Labor Exchange is based have long been known to a few scholars, and have been utilized with wonderful success wherever intelligently applied. But until very recently, the persistent opposition of powerful banking interests succeeded in preventing the general public from learning that the most gigantic undertakings can be successfully carried out without the use of money.

The Labor Exchange Association was organized in 1889, and began practical operations in the United States about two years ago. It has since spread into Europe, Asia and Australia.

Unlike political methods, the Labor Exchange does not require a majority of the people to set it going. It cannot be counted out or defeated by bribery. And its methods can not be declared unconstitutional by a venal Supreme Court, for any decree directed against them would paralyze the entire business of the country.

Wherever a few producers agree to try the Exchange plan they can do so, and by the time the active membership has reached one-tenth of the local population the relief is so great that the members are put in a position where they can afford to smile at the money-lender, and to tell him to keep his condemned trash and eat it—if he can.

Unlike most labor organizations, the Exchange does not try to benefit one class of producers at the expense of other classes. And instead of sacrificing vast stores of wealth in trying to force employers to pay their "hands" a large portion of what they earn, it enables the workers to employ themselves and thus gives them, either directly or indirectly, the whole amount of what they produce.

Unlike the Rochdale System of co-operation, it does not depend on money, but avoids the use of it wherever possible, so as to avoid paying tribute to Giant Monopoly. Instead of limiting its operations to the amount of available legal tender, it finds a substitute for it and increases its operations as fast as the means of production can be secured.

Instead of letting the idle, rich—or poor—share its benefits, it declares that "He who will not work (if able) shall not eat our bread." At the same time it also declares "He that is willing to work shall not starve if we can help it."

Unlike the colony system, the Labor Exchange can be organized and carried to success wherever the producers happen to live. It can at once solve the unemployed problem, gradually do away with wage slavery, and in a very short time bring an unimagined prosperity, not to a few only, but to all producers, whether they be farmers, miners, laborers, mechanics, or professional men.

FOUNDATION OF L. E. METHOD.

The principle on which the Labor Exchange is based is that if the producers in a fertile country can avoid paying tribute to outsiders, there will be abundance for all, providing they prevent a few of their number from monopolizing what others have produced. This will be true whether money can be obtained or not.

A great part of the wealth collected together by the old co-operative societies has hitherto been returned to the members in the form of dividends on their purchases.

However desirable this may seem to the members who are dependent on the whims and necessities of capitalists for a living, there are very serious objections to the plan. One of these is that it enables workingmen to live on lower wages than they would otherwise be able to do. Wherever the natural resources are so cornered that the market (!) for wage-slaves is full of "surplus labor," the capitalist can take advantage of the dividends to force wages below what would otherwise be the living limit. Another objection is that the money returned to the members cannot be used to increase the scope of the society's operations.

If the Labor Exchange followed this plan its members would suffer a three-fold injury. There

would be, 1st. a loss in converting said accumulations into money; 2d. the members would be left in subjection to capitalists; and 3d. the Association would weaken its own power of production. The Labor Exchange therefore retains the whole of the means necessary to keep the said members constantly employed, whilst it imparts to them in abundance the consumable portion, which ministers to their wants and comforts.

This policy enables the Exchange to quickly rise in power and extend its enterprises, so that finally it will undermine and supplant the monopolies of our day. The unemployed, on their side, instead of fighting for lower wages (!) with their comrades who are still working for capitalists, will flock to the Labor Exchange and there work for all they make.

At the same time the Association will take care that speculation shall not profit by the interchange of work and products amongst its members.

CAPITALISM VERSUS THE LABOR EXCHANGE.

The object of capitalists is to buy both labor and materials in the cheapest market, and sell their products in the dearest. The difference, after paying expenses, they put in their own pockets as a reward for their own business shrewdness.

The object of the Labor Exchange, on the contrary, is to abolish the game of high and low wages; high and low prices, and easy and tight money-markets carried on against producers. It holds the products of labor "for the use and benefit of the actual producers and their dependents."

During the period of transition from the present system to the new one, the Association

receives deposits of both labor and products at wholesale value, and returns the same to depositors, in redemption of its certificates and checks at retail value. The difference is applied to cover the expenses of management, to extend the field of its operations, and to swell the relief fund.

By the time that it shall have arrived at purely co-operative principles, the terms buying and selling will vanish from its vocabulary, and direct interchange or distribution will take their place, for no one will be interested in purchasing more goods than he can consume. The market value for such interchange will be based on equity and justice.

MONEY VERSUS LABOR.

The ordinary co-operative society, depending entirely on money to carry on and extend its business, booms in so-called prosperous times, when money is comparatively plentiful, but finds it hard to hold its own when a contracted currency throws its members out of work.

The Labor Exchange, on the contrary, depending on labor, failed to attract attention when money was still to be got, but boomed when people began to find out that their struggles to get money only brought them nearer to starvation.

Where the members are few and far between the Labor Exchange requires a certain amount of legal tender money for use with outsiders. But every additional trade and profession represented and every piece of land or machinery acquired, lessens the amount needed.

By the time that half the producers have become members they will refuse to work for money, as they will not need it. Capitalists

will then be unable to levy tribute from them either in the shape of rent, interest or profit. Large estates and fortunes, being no longer kept up and increased in value by the toil of industrial slaves, will quickly fall to pieces and be acquired by producers on their own terms.

The principles of the Labor Exchange are most fully given in a book called "The Trials and Triumph of Labor." It was written by G. B. De Bernardi, and is the result of a life-long inquiry as to "why the vast majority of the human race should suffer want in a world of plenty, and why the producer of plenty should go empty handed."

The Labor Exchange is organized as a beneficiary institution. It has a charter from the state of Missouri, and the headquarters are at Independence, Mo.

It has now (April, 1896) 120 branches in thirty states. California at present heads the list with twenty-six branches, containing almost two thousand members, who own several million dollars worth of property. The system is being taught in a hundred papers, some of them devoted exclusively to advocating its principles.

Each state has organizers, who go from place to place lecturing on the new method and organizing fresh branches. Many of the new co-operative colonies have adopted the Exchange method of finance.

MEMBERSHIP.

The Labor Exchange makes no distinction of age, sex, occupation, religion, politics, race or color. It only draws the line at criminals, idlers, and those whose occupations are detrimental to society.

A life membership costs one dollar, and this

fee is at present used to help pay the expenses of the organizers. There are no dues.

Each member signs an obligation paper, in which he agrees that in his transactions with the Exchange he will not demand legal tender, but will accept goods or services to the amount of the debt. How this can be done without inconvenience will be shown later on.

When there are enough members at one place to start some business they can get a sub-charter, (which costs \$2.50) and organize a local branch. They then elect the usual officers and secure a room for a depository. If this can be got rent free for a time, so much the better.

At first it is not always convenient or advisable to employ a salaried manager for the Depository. It is often possible to give an honest cobbler, harness-maker or similar tradesman the free use of the room in return for his supervision and management till the business is large enough to require constant attention and the profits are sufficient to pay him a salary.

LABOR CHECKS.

Each newly-formed branch gets a special copyrighted form of check book from the head office at Independence, Mo.

When any article is deposited in the keeping of the Exchange, a receipt or deposit check is given to the depositor. This check acknowledges the deposit of goods (or labor) to a certain value, and gives the holder the privilege of withdrawing the deposit (less the warehouse charges) if he wishes, or of taking out, in its place, any other article the association may have to exchange of equal value. As a matter of precaution each check distinctly states that it is not

redeemable in legal tender money. It is signed by two officers of the local branch.

Any member will accept this "warehouse receipt" in payment for work or goods, and many outsiders are only too glad to extend their cash business by taking it. Although it is not money it represents actual wealth in the keeping of the Exchange, and serves as a local medium of exchange. It thus helps to make up the present disgraceful deficiency of legal tender money in the hands of the producers.

Every time it changes hands it is endorsed on the back, and when it finally arrives at the depository, where it was issued, it is "redeemed" with goods and filed, along with its stub in the check-book.

The number, character and amount of checks a branch has in circulation can always be ascertained by an examination of the stubs in the local check-books.

For convenience in making change and to prevent a duplication of actual deposits a special change check is used, altogether different from the above described deposit checks. Good for any kind of actual wealth which the society may have to exchange.

NO TRIBUTE TO OUTSIDERS.

As the medium of exchange equals the demand for it, as it is obtainable without interest, and as the middleman's profit is done away with, there is no tribute paid to outsiders, and each producer gets, either directly or indirectly, the full value of his labor or products. At first the depositors in a young branch should be satisfied if they do as well with their products as in the outside money market. As soon as the membership increases they will find the advantage of

dealing with an association that is never without a medium of exchange, that never tries to drive a hard bargain, and that applies its profits to their benefits.

Under this system, whilst there are still a thousand different ways by which an individual can get into debt, there are also a thousand ways by which he can pay off his obligations. Instead of having to sell at a sacrifice to get money with which to pay his debts and buy what he needs, he practically moretizes his own labor and productions.

Every dollar check that is in circulation has at least a dollar's worth of wealth behind it, and will eventually be backed by several times its amount.

Each branch of the Exchange is open to receive land, machinery, etc., giving for them this "script." Every transaction is on a cash basis, and such a thing as a bad debt is unknown. If there were no other advantages this abolition of the accursed credit system would be a good reason for all producers to join it. The charter does not allow any branch to go into debt or to mortgage any of its property, so that capitalists have no means of crushing it.

The means of production, once obtained, should be held on to permanently. Land and machinery should never be parted with whilst there is any possibility of utilizing them. Even then they should not be sold unless three-quarters of the members vote for their disposal.

Each branch is practically independent, but all are bound together to resist outside enemies, political or otherwise. The accumulated wealth belongs to the branch which created it. There is, however, a very necessary and important

provision in each sub-charter that "should the branch relinquish its charter or cease its automatic existence, then the real and personal property thereof, together with its books and accounts shall be transferred to receivers, elected for the special purpose by the membership at large, in trust for all parties interested therein."

In case of disagreement between the members of a branch, those who are not satisfied can start a branch of their own. To an ordinary co-operative society such a split is usually disastrous, but with the Exchange there is no loss to anyone, as each member retains the title to his own accumulations. Hard feelings will soon subside, the two branches will exchange products, and the result may eventually be a benefit to all.

COMMERCE VERSUS PRODUCTION.

The main object of the Exchange is not commerce, but production. Those who are in charge of the local branches should never lose sight of this fact, for if they do they will be disappointed by the result.

They should bear in mind the fact that commerce does not enrich the world in any shape or form. It is a mere convenience, and its only useful object is the distribution of wealth. It is in fact a necessary evil, which is at present carried on in such a wasteful way as to absorb nearly all the wealth produced.

Production, on the other hand, is the source of all wealth. It is carried on by labor applied to the earth. Producers have the right to all the wealth they create less the amount required for economical distribution.

Ten per cent. is about what is required for this economical distribution. This leaves ninety per cent. for the producers. "Out in anarchy"

the producer gets about fifteen per cent., and the other eighty-five per cent. is swallowed up by distributors, speculators and the idle rich.

As soon as possible, therefore, the idle members of the Exchange are set to work making bricks, building houses, raising all kinds of crops, tanning hides, making shoes and clothing and, indeed, producing everything which is needed by the members themselves. Wherever possible, local wants should be supplied before trying to supply distant markets. In this way transportation charges (at present paid to private monopolists) will be avoided.

The producers are paid in the local "script" and can either pay it away to members or outsiders, or redeem it at the local depository for whatever they need.

TIME CHECKS.

In some cases people are willing to deposit land and other property into the Exchange for time-checks. Many farmers and business men have already turned their property over to the association in this way.

These time-checks circulate amongst the members, but are not redeemable at the depository until a certain date, which is written across the face of them. By this means the members have a medium of exchange to use amongst themselves, and the Exchange itself has time to apply its idle labor in producing wealth with which to redeem the time checks when they finally come back to the local depository.

Each branch has a purchasing agent and settles balances with other branches by means of central clearing houses like those used by banks.

In its commercial operations the system is really that of bartering, with the inconven-

ient features removed. The main difference between the money system and the Exchange is that the latter does not depend on the bankers' money, and therefore avoids paying the present enormous tribute to the money power.

Without the use of money the Exchange system is capable of turning a dead-alive village of dilapidated shanties into a prosperous community of elegant and comfortable homes, provided with every comfort and luxury. At the same time it is just as capable of building and running a great trans-continental railroad without borrowing or begging from either members or outsiders. For the script which pays for its construction will be eagerly sought after, as it will go four times as far in carrying passengers and freight on the completed railroads as the same amount of money will go on the monopoly-bound railroads which are now charging "all the traffic will bear" to pay interest on their watered stock.

Let the system once get into general use and panics will become impossible. There will be no danger of alternate inflation and contraction of the currency, with the terrible evils arising therefrom. And usury, that now keeps nations in toilsome slavery to the idle rich, will be driven back to the hell from which it came.

It only remains to say that as soon as a producer understands the system he is no longer likely to be deceived on the money question by the special pleading of interested politicians. He understands the nature and attributes of money better than nine-tenths of the bankers and capitalists. He sees that it is the interest of the farmer, railroad man, mechanic and laborer to combine their forces, politically and otherwise, to checkmate the money power.

He recognizes the fact that the producers of every land are his brethren, and that their prosperity is a benefit to him.

POLITICAL APPLICATION.

As soon as a city, county or state sees the advantages of the Labor Exchange principles, it can apply them to public works and pay all its necessary expenses by non-interest bearing bonds of small denominations. These, being made receivable for all taxes, will circulate as money, and will finally come back to the place of issue to be cancelled.

The building of the Guernsey market-house nearly a hundred years ago, is a good example of what can be done without the use of the bankers' money. The same principle can be applied to the nationalization of the railroads and other private monopolies. They can all be duplicated or bought up by the authorities without going into debt and therefore without paying a cent of interest.

Many people are satisfied with working for these and other political measures of relief. But millions of us will be dead and buried before much relief can be got by political methods, even if the opposition of the money power does not lead to war or revolution. In the meantime, let us make our lives and those of our fellowmen happier by working in such a way that we may get the benefit of what we produce, instead of giving the greater part of it to the landlord, the lendlord and the profitlord.

Some will object that the Labor Exchange may answer on a small scale, but that it cannot be applied to large undertakings, because the bulk of the means of production, provided by

nature for all, have now fallen into the hands of a few capitalists.

But it must be remembered that Giant Monopoly does not own all the country at present, though he will in twenty years more if things go on as they are now tending.

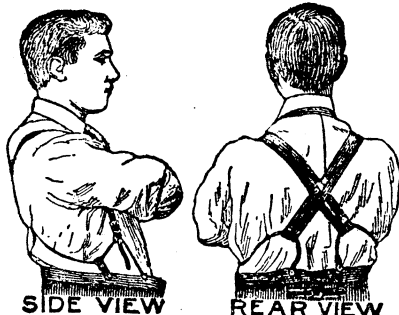
Political economists are all agreed that the greatest half of the wealth of a nation is that which has been created by producers within the last year. Also that one-thirtieth part of the means of production, if properly utilized on an equitable co-operative basis, would feed, clothe and shelter the entire present population of the country.

This being so, it is evident that as soon as a large number of people refuse to work for Giant Monopoly, or have anything to do with his land, money or products, he will be compelled to accept their terms for the land and means of production he has stolen from them by usury, monopoly and class legislation.

Those who wish for further information should send to G. B. De Bernardi, Independence, Mo. Farmington, Cal., April, 1896.



THE RUSKIN SUSPENDER.



SIDE VIEW

REAR VIEW

THIS Suspenders is not an experiment, but has been in use a number of years, and has given universal satisfaction. We claim for it the following:

It is constructed on scientific principles, being so made that it readily adjusts itself to the position of the body by sliding on the rounds at the bottom.

You cannot get a strain on it, as all effects of movements of the body are kept equally distributed upon the buttons.

Being all leather, it is durable and remains the same after long use.

It is riveted and will not break or pull apart.

It is easy on buttons.

It does not strain clothing.

It is tan color and neat in appearance.

It is practical.

It is comfortable, and does not drop off the shoulders when working.

We make them in two qualities, sent postpaid at 40 and 50 cents per pair.

Agents wanted. Write for terms.

**RUSKIN CO-OPERATIVE ASSOCIATION,
Cave Mills, Tenn.**